

# Federal & State Policy Updates

## Regional Staff Committee

July 17, 2025

Updated  
7/16/2025



Puget Sound Regional Council



*We are leaders in the region to realize equity for all. Diversity, racial equity and inclusion are integrated into how we carry out all our work.*

[psrc.org/equity](https://psrc.org/equity)



# Federal Updates

- Reconciliation bill signed by President July 4
- Extends tax cuts, cuts Medicaid and SNAP
- [Summary of the One Big Beautiful Bill Act](#)
- Recission



# President's Budget/FY 2026 Appropriations



- April 30, President Trump released a “skinny” budget
- May 30, the White House shared additional details for President’s FY 2026 budget request
- House Appropriations Committee marking up Transportation–HUD bill today
- Sec. Duffy at House Transportation and Infrastructure Committee July 16

# HUD Budget – FY 2026 Appropriations

- \$939m decrease in HUD budget
- 26% reduction in staff
- Does not extend Emergency Housing Vouchers
- Does not combine rental assistance programs or consolidate grant programs
- Includes flexibility for PHAs that could allow work requirements and time limits



[NLIHC Summary](#)



# Transportation Budget – FY 2026 Appropriations



- \$22b discretionary spending – \$3.5b cut from FY 25, \$83b in mandatory obligations for infrastructure
- \$19.2b for Public Transit – \$1.7b/8.3% cut from FY25
- \$64.3b for FHWA
- \$14b for FTA
- Does not provide additional funding for BUILD(formerly RAISE) or MEGA



# State Revenue Forecast

- Revenue down \$490m in FY 25–27 and \$638m in FY 27–29
- US & WA economies slowing, impacts of tariffs, federal employment/funding, geopolitical conflict, lower spending and higher interest and inflation rates
- New revenue adopted by legislature raises \$8b over 4 years creating a slight budget savings
- No special session – yet





# Transportation Revenue Forecast



- \$11m increase from March 2025 for FY 23–25
- \$2.78b increase for FY 25–29
- Legislative changes are major driver of revenue changes

# Learn More – State Background

[Tax collections tumble again in latest Washington budget forecast \(WA State Standard\)](#)

[Revenue Forecast](#)

[Transportation Forecast](#)

[Why Washington faces huge fallout from the Medicaid cuts in Trump's megabill \(WA State Standard\)](#)





An aerial photograph of Everett, Washington, showing the city, harbor, and surrounding mountains. The city is densely packed with buildings and houses, with a large harbor area containing many boats and a bridge crossing the water. The background features rolling hills and mountains under a clear sky.

# Thank You!

**Robin Koskey**

Director, Government Relations and Communications  
Rkoskey@psrc.org

**Alyssa Quinn**

Senior Government Relations Specialist  
AQuinn@psrc.org



Puget Sound Regional Council